

Riconocutto
Michael RICONOCUTTO. NOTES OF PHONE CONV. 12/29/87
(My questions in para's)

KRC F/K

On Consolidated Savings and Loan R says Octavio Angotti, President of Consolidated Savings was formerly head of Bank Hapaulin, the Isreali bank. That's where the tie comes in with the attempted hit on Ferrante in 1982 by the two Mafia hitmen, Sam Meiowitz and another. Bob Nichols and I were the ones who caught Meiowitz. He was scared and not only confessed to the Ferrante thing but a whole lot of other stuff that I just covered my ears. He was scared and just didn't want us to kill him. I still have his passport.

meant

Angotti is a pretty clean guy. There's been a falling out between him and the boys. (You mean he's not involved with the mob anymore?) Well the boys he represented were Isreali.

(Angotti threatened to kill federal bank regulators) I can't picture Tony doing that. I'll tell you something, that's not Tony. Tony is a practicing Catholic. (Another person explained that Angotti swore at them in Italian and they misunderstood... the literal translation was "I'll cut your balls off." Does that sound like Angotti?) That's him precisely. And mess with Tony or his family and he will cut your balls off. And believe me he runs with a crowd that could do it. He runs with some old line people who have been together for thousands of years. Heavy duty stuff... and it's not the mob. It's the Isreali's.

When you look at Ferrante and who is tied in there you are talking the clash of the Titans here. Right at little Consolidated. Consolidated was an under \$100 million institution, ok? But you're looking at some things that surfaced there.

~~(Note: Marshall Riconocutto was heavily involved with Pat Moriarity the fireworks guy who's now in jail for bribing an State Senator... Roos. Feds say Moriarity was heavy into drug (cocaine) traffic out of South Am. A plane load of Moriarity stuff is still sitting on a remote runway waiting for someone to pick it up, says a fed source.)~~

(Mario Renda surfaced at Consolidated, didn't he?). (Long pause). ...Well, you've done your homework. What do you know about Mario and Saudi Arabia and Petromin money. He was there too.

(Where does all the money stolen from these S&L's go, the up-front crooks like Ferrante don't seem to have it?) They don't have any of it. And they're sweating. I know precisely where it goes and that's why my life is not worth a plug nickel and I'm under threats all the time.

I found Morasca's body. I spent 8 hours with the SF cops. They made a 50 minute tape of my comments during that time trying to trap me.

I testified to the grand jury that Thompson admitted to me that he killed Paul. They have it cold turkey, more than enough to throw the book at Thompson.

I had some legal problems that the SFPD has blown way out of proportion into a big rap sheet. At that time it was the Bur. of Narcotics and Dangerous Drugs who were after me. At that time I was an FBI operative and when I jumped bond on those charges the supervisor of the FBI office up here had me hiding in his basement for three weeks. The only reason I went and turned myself in is that my wife came to me and assured me she would stay with me no matter what happened if I turned myself in at that time. The day after I turned myself in she came in and said sorry sucker and left.

What I can't understand is how the government can bilk legitimate business out of money to fund these covert operations. They should be funded out of the treasury from Congress. I was instrumental in getting the five swing votes they needed to get that first \$100 million (for the Contra's). We did the lobbying for it at the last minute. So it can be done through congress.

(Was Renda getting government money) It was PetroMin money and government. Same thing with Nuegin Man all PetroMin dollars. Renda did business with the Saudis. When the Saudis need special technical assistance they usually go thru Wackenhut. The radar the US wanted to sell the Saudis was 17 year old stuff. John Nichols had a suitcase sized radar processing system that was several thousand times more capable than the AWAC's system the US wanted to supply to the Saudis. I'm talking suit case size with the exception of the microwave plumbing and antenna. Everything else was there, the radar transmitter/receiver the data processing devices, all weighed about 140 pounds.

Beryl Barber in Santa Rosa made critical tactical devices for the nations missle defense. His company was deliberately busted. He was put into a compromising position. That makes another story.

On the Morasca murder, the FBI got into that because Paul was trasported across state lines. Philip Arthur Thompson and others grabbed Paul in Nevada and was actually killed up near Forestville. He was held in Forestville and interrogatted there where he was ten days. Thompson strangled him several times over a period of ten days and then revived him. They then brought him back to his apartment where they held him while they went to check out the info he had given them under interrogation. But Paul died before they were through with him. He was tied up that way to make it look like he died there.

Thompson tried to kill me. He had me tied up in the backseat of his car heading up highway 405 going north. That's when he told me about killing Paul. But I freed myself and jumped out when we got stopped in communitate traffic.

(I hope you are dealing with less dangerous people these days) No, actually not. It's the only place where I can get work. No one else wants me. *Has a big computer.*

When we meet I will have some people with me, one will be from the district attorney's office if you don't mind.

The guy who had that gun, Mike Krieg was blown up in 1981 up around your way. They're still trying to solve that one. Then there's another murder, a guy killed just like Paul was and left tied with a telephone cord. And I've been cooperating very extensively with those people. Now SF and Homicide want very much to rope me into Paul's murder. I appeared at the grand jury and they never called me back. Now Paul was a highschool friend of mine and I have vowed to make it hard on everyone involved in his murder. I told these people that if they had to take him out they could have just blown his brains out, they didn't have to torture him. That was just pure psychological torture aimed at me because they knew we were close. Infact the guy who introduced Paul and I is now the prosecutor in Kern County, Edward R Jagels. And Jagels stood most to loose by Paul staying alive. The guy ran the states Narco Task Force to two years.

Now when I went in to talk to SF Homicide I was sent in with a firm set of guidelines from Nichols and Wackenhut as to what I could talk about. Within hours after I left I was chastised by Nichols, who had a complete transcript of what I discussed with Homicide. He reprimanded me *I was still an employee of Wackenhut then.*

penetrated very early on. What tipped Peter Zokowsky off to trouble was that a full KGB Col. showed up at the reservation one day. Col. John Pierre Bogner, he was the Jackle. The guy who tried to assassinate DeGall. He served time in prison for that. Nichols claimed he was ensnaring him. He told me Muscumus (phonetic) was out there with a crew and was on top of him, ok? Well John didn't know I was talking to Muscumus behind his back and Muscumus said it was the first time he had heard about it. So Nichols had been bullshitting me about that. So I went back to Peter Z. and told him that we had a real problem here, that he had better get hold of so-and-so at Pickatinny Arsenal and we better close this operation down NOW before something sensitive gets out there.

(Was Nichols ever a made member of the mob) Absolutely not. He's got something on them but he's an intelligence officer.

Nichols is doing a Ramada Inn and Casino in Indio with \$9 million that been floating around that I've been tracking. I drove down and looked at the project and it's coming along very nicely.

The position I'm taking with the feds and the state of Calif. is that they have allowed a continuing criminal activity to flourish. As a result I have been damaged. I cannot work in conventional ways because I'd get nailed. I have tracked x number of dollars skimmed out of that operation down there on a continual basis.

Ted Gunderson and I are the guys who put Nichols away on the murder for hire thing. And he's unhappy about that. He purchased torpedoes (hitmen) from certain people, I tracked them. We drew fire. I documented their real names, assumed names, what they traveled under and what their objectives were. Finally I went back to the big-boys in Chicago and had a sit-down with them and they decided that John Nichols and I had a problem and they weren't going to send anymore of their people. Were talking about Fat Tony (Arricados) out of Chicago. Were talking Buzzy Catalini on the East Coast, Victor Proctotello in Miami.

Do you know Beryl Barber? (Yes. He was the guy who was going to do the goggles up here, Sonoma Engineering and Research) Who told you about that. (Peter and Bob Nichols) How did you get in touch with Bob Nichols? (Didn't recall) He's working for the NSC right now. He's a very formidable fellow. (Bob Nichols told me to forget this story, too dangerous) Sage advice, sage advice. His advice is very sound. He's an expert.

(Nichols was skimming from the Bingo Parlour wasn't he) Yes, but he was skimming for funds for the covert operation. Most of that money went into Chili.

(Did Nichols screw Reeder on the Bingo Parlour?) Absolutely not. Reeder knew what was going on. Reeder was doing someone else a favor and he got his end somewhere else. (Do you know about Ron Sainz?) You're on the right track. (And then there's the Butchers and the Joe Duncan affair that involved the letter to the judge from Meese's wife.) There you go.. that's it. I'm impressed.

Sandy Feldman at the state AG's office never acted on this. I'm told that over half a million has been sent to the governors office to keep the AG's people away from that new Ramada project while its in its embryonic stages.

(The guy who worked with Renda ran a CIA airline out of South-East Asia.) I know. Mario and I talk every other day. You understand that? Mario is a straight shooter, ok. (Mario is going to jail isn't he?) I don't think so. No. He's somebodies boy. He's reading the script.

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Now the two SA of the FBI, one from up here and one from the Olympia office told me that if I turned myself in there was nothing they could do for me. They were going to have to let me down for six months to a year.

(My impression is that this thing on the Cabazon Reservation was the beginning of the administration's Contra resupply.. is that correct.. and they were using Wackenhut as the synaps across which they dealt with people like Dr. Nichols.) Right. That's right. Did you understand the Casey was corporate counsel for Wackenhut before Regan put the tap on him for the CIA job? And Carlucci is on Wackenhut's board of directors.

You hit the nail on the head with what was going on on the reservation except now you've got to drive the nail a little deeper. But you're right on the mark.

(What killed the arms deal, it never happened) Paul's murder queered the deal. To hot after that.

(What about the computer in Paul's apartment with the missing parts?) Right, and who got the computer? Where is that computer.

(Did it have access codes for off shore accounts containing \$144 million?) No, more than that.

(Where'd the money come from? Was drug money) Absolutely not!!! It was covert operation money.

(Why was Mary Quick murdered?) I can't even talk to you about that. The guy that was with me had an uncle who was the CIA's point man in Europe. He disappeared. 20/20 did a story on him, George Weiss. In that story the agency said right out, "we did not kill George." That was Brian's uncle. He was the guy who went out in a row boat alone but ended up shot. Brian Petrucci was the guy with me. He was a family friend of Mary Quick. I've got to talk to my attorney before I talk any more about this.

Braun is a CIA lawyer. He never represented me.

(Did Nichols have Alvarez killed because he was getting in the way of this arms deal) No. He was getting in the way period.

There were only 8 or 9 active Indians involved in the tribe counsel and Alvarez was the swing vote.

(What role did Reeder play in this) You're the first person to come up with anything concrete on Reeder. Reeder wanted in on the arms deal but I had direct conversations with Reeder on how he could become involved in the deal and so did Paul Morasca. Reeder's role is clean money. He came up with clean money.

Do you realize that Nichols brought me and a guy who was head of funding for all research for advance weapons laser research for the Naval weapons research, this guy had been handling the check book for over 12 years. He bought me and this guy, into Charlie Carter's office at NASA. We were going to launder money through NASA, ok? And this was right after we had had lunch with Judge William Webster. I've been polygraphed on video tape on this. I went to Jason Sonheim at Channel 2 who's a close friend. I said I'm in trouble. When my creditability was at stake Jason stood by me and said that he had known me since I was 6 years old and that I had never lied to him.

Do you know that I was the first person granted congressional immunity for testifying in the Contra Hearings last year? You bet.

(At the reservation we had Zongari and other mob people. Was Reeder involved.) No, Reeder came from a completely different direction. When they realized they couldn't do it with Zongari and Tommy Marston, so there was a guy named Rogers who they turned to first but he wasn't heavy enough financially. That's when they brought in Reeder. Reeder comes across squeaky clean, except that when I was working with the DOJ guys piecing this thing together I came up with some unsettling things about Reeder which jived with some personal things I had experienced. I don't want to get into that on the phone.

We were actually put up as complimentary guests at one of Reeder's resorts for several weeks while we worked all this out. And the people who came in and out of there while we were doing that and dealing with the heavy espionage thing around it, would shock you. There are over 30 murdered people around this deal and these people. And the feds were told before these people were killed that they needed to go into protective custody.

Remember the Spulitro investigation and most of the people participating in the witness program were snuffed with the same 22 caliber pistol with a silencer. With a Maxim Silencer. Well that surfaced in the middle of this thing and I was going to turn that over to the FBI. We had two weeks of negotiations, then the guy who had the gun his car got blown up. This is a very complex situation and really requires a matrix and link analysis. You should really sit down and learn how to do it.

(Am I correct then that what we had here was a mob/government operation on the reservation?) Absolutely. You've got to realize that our government entered into a marriage of necessary. When the government decided to take out Castro you know who they sent to do the job.. it was John Philip Nichols. Nichols was supervising the guys who were hired to take out Castro. Castro. That's a matter of record.

(Wasn't he also in on the Allende assassination?) No. He was working for Robert Chasin (phonetic). Chasin and Dino Pianzio (phonetic) were the ones who did that. Chasin was VP of ITT's operations in Chile and is now VP of Wackenhet. After they sing the Star Spangled Banner at Wackenhet board meetings they like to sing Hail, Hail The Gangs All Here.

You know about the Nuegen Hand situation. Well when Paul was killed that's when I realized we'd been double crossed. That's when I pulled the plug. I'm the one who supplied the Washington Post with all the information they ran. A chick by the name of Penny Verdu from the Nation magazine wrote some of my stuff. I took the money and negotiated directly with Stephen Trott through my attorney Don Wanger (Phonetic). Trott was still US Attorney in So. Cal. It was before he joined the Regan administration under Meese. I was going to turn the money in. Somebody high up in the justice department put an end to the negotiations.

Are you aware the Walkers had a joint venture with Wackenhet identical to the one Wackenhet had with Nichols and the Cabazons? The same thing, the same contracts everything. Newsweek wrote about that. Now here we have the Walkers, bumbling idiots, failures in business, failures at everything. All of a sudden they form a joint venture with Wackenhet and they're overnight successes. George Wackenhet was bought and paid for by the Soviets way back in the 1950's.

Wackenhet was just a corporate front for our government's intelligence arm. But it was

for over communicating. I don't think it was Ed. E I think it was his partner. There was also another supervisor there too.

This case ended a very long standing relationship I had with the FBI, to the point where they would protect me from prosecution by actually ~~hiding~~ ^{criminally} me out. Now Paul's murder brought the rath down on Ted Gunderson and me. Have you seen what they did to him in Fresno.. some gal set him up on the orders of the FBI.

You're talking directly to the man who pulled the plug on the Nugan Hand Bank (in Australia). I put all the money into block currencies in such a way they can't get their hands on it. The money is there and any time they want to make a deal with me they can. I haven't spent a dime of it.. there's \$628 million.. that's the money I pulled. Buddy Yates got ~~held~~ of \$125 million that's Admiral Yates... So I got the lion's share of it and it's well cared for. I'll spend every dime of it bringing this to the light of day.

In the meantime I'm not doing that bad, financially except I can't keep my clearances. Everyway they have a handle on me someone pulls a string. It's very frustrating.

END

McNamee knew Berge Barber
Ricossauro was ~~the~~ Nichols' understudy for years
I had a wonderful relationship with the FBI until
~~moraca~~

My Inquiries

180 Report

MEMORANDUM FOR THE FILES

4/27/91 RE: STRATEGIC SOFTWARE PLANNING

Source CHIPS has provided the following information on background re. Strategic Software Planning of Cambridge, Ma. The company and its owners, Massimo and Albert Grimaldi, are suspected of collusion with Dr. Earl Brian in the piracy of Inslaw's PROMIS software and its illegal sale to British MI-5 and MI-6.

The information was provided to CHIPS by ONI and other USG sources in the Boston, Ma. area.

The Grimaldi family of SSP are members of the extended Grimaldi family which rules Monaco. They are indeed involved in U.S. intelligence activities, as is the Monaco branch of the family. The marriage of American beauty Grace Kelly to Prince Ranier of Monaco was an arranged marriage through which U.S. intelligence established a beachhead in the small European country. As early as World War II, when the OSS was conducting secret intelligence operations against the Nazis on the European continent, Monaco was an important hub of U.S. operations. OSS member Cary Grant introduced Grace Kelly to Prince Ranier. The Kelly family of Philadelphia was closely allied with the Mellon banking interests of Pittsburgh, dating back to the nineteenth century era of the railroad barons. The Kelly-Ranier marriage led to a deepening of the U.S. intelligence presence in Monaco, prompting some insiders to refer to the country as "Langley Europe."

Through the Grimaldis in Monaco, the CIA maintained a brief link to Ayatollah Khomeini while he was still in exile in Paris. That secret CIA link to the Iranian mullahs continued after the Revolution that overthrew the Shah. In 1984, through her close friendship with the Shah's widow, Grace Kelly learned of the role of her husband and her adopted country in helping to install the ayatollah in power. This led to a big fight between Kelly and her husband and his brothers. She packed her bags to leave Monaco and spill the beans on the whole sordid affair. This was 1984. It would have resulted in many key details of the Iran-Contra fiasco coming to light. She drove herself out of the palace and was killed in a car crash that the world was told was a "tragic accident."

What Princess Grace would have revealed--at least in part-- was her husband's and the CIA's dealings with Cyrus Hashemi, a major international money laundering infrastructure, and a Europeanwide "private" intelligence network running through Britain, Germany, Monaco and other points with very close ties to the International Monetary Fund. The case of Solomon Schwartz, a Mossad agent, suspected Soviet mole and peripheral figure in numerous

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input

IRANGATE shenanigans, was also somehow tied to the Monaco operations. This is one place where the Cambridge, Ma. branch of the Grimaldi family likely comes in. Schwartz was involved during the early 1980s in smuggling American made night vision equipment to the Argentines.

Monaco was also a base of operations for Jacque Cousteau and his Cousteau Society. Between 1974-1981, the Cousteau Society conducted its own international spook operations out of headquarters in Monaco. This got into the middle of sensitive NATO military testing. Cousteau was involved somehow in the "Rainbow Warrior" incident in league with Greenpeace.

The Cambridge branch of the Grimaldi family, being of Argentine Italian background, were linked by CHIPS' sources to the Schwartz deals. Other names mentioned in that context were Cyrus Hashemi, Leonard Berg and Leon Lisbona.

Another name was mentioned by CHIPS as a possible suspect in the mysterious death of Grace Kelly. He is George F. Okon (dob 8/8/46, recent known address 1306 Henry Ave., Mamaronek, NY. Arrested 1976 on gun smuggling charges - ATF case no. 441 608 756517A. He was charged with smuggling submachine guns and 9 mm "hushpuppies," which are some kind of Smith and Wesson guns outfitted with silencers. Okon is a former Navy SEAL. He operates as a bagman, and was involved with Schwartz et al on the Argentina deal. He usually carries 6-7 passports. He is a bodyguard, frontman and allaround dangerous character. After the Dec. 1989 U.S. invasion of Panama, in which several of his SEAL buddies were killed, Okon reportedly snapped and became wildly anti-American. He may now be working for organized crime, dirty CIA rogue networks or even foreign intelligence services. He drives a Corvette and a Suzuki motorcycle (license plate XSEAL). He is believed to be now involved in gun and drug smuggling through the Northeast corridor of the U.S. into Canada. For a period of time, Okon was operating out of Ireland.

Additional information is that Okon is also an electronics and computer whiz, specializing in demolition devices. There are indications that Okon may have been in Vietnam at the same time as Dr. Earl Brian and Peter Videnieks. Videnieks was in the Navy. The three, it is speculated, were involved in some joint projects in Vietnam during the period of 1967-71.

Okon is believed to currently maintain three addresses: the above cited street address in Mamaronek, an address in Peekskill, New York, and an address somewhere in the Boston area. In recent weeks, he has frequented Big City Diner on 11th Ave. and 43rd St. in Manhattan. Formerly the Original Market Diner, this place is now a private nightclub, probably only open Thursday through Saturday nights. (phone 212-244-6033) The manager, Danny Kane, is a close pal of Okon's and Okon works as a bouncer

CHIPS
cousteau

Tiff

Solomon Schwartz
Bob Gray

#ISA

Int'l. Society Amm.

HLB

Solomon Schwartz

JFK
Ossining, N.Y.
1980-81 arrested

WetTech Case
Mark Bergge
• Bobbi

New
Int'l. Society Amm.

Street Post
145 St. C
12-2-89, S.C.

Puffin
Poffen

at the place. The club is believed to be a hub of numbers, dope and prostitution closely tied to the Gambino family. The chauffeur of John Gotti was at Big City Diner just before his assassination last week.

It is suspected that the organized crime network with which Okon has been linked is involved in transporting drugs into the New York City area. Okon is tied to some of the New York maritime union people in the drug delivery operation. The drugs are being brought in either aboard or in containers towed by sea clamps to barges coming into Long Island Sound. Divers pick up the dope shipments or they are placed in the fuel lines of refueling ships and then brought ashore. What we seem to be dealing with here is a linkup between traditional organized crime families and rogue (?) intelligence types. A number of ex-Navy SEALS have recently showed up in the New York City area working for companies that are ostensibly dredging the rivers and harbors of the area.

CHIPS' sources believe that these dope trafficking activities have some relationship with Dr. Earl Brian and with the SSP Grimaldi group in Boston. He is awaiting further details that could corroborate features of this story.

MEMORANDUM FOR THE FILES

4/29/91

According to source HAYSEED, key leads into the role of Strategic Software Planning in the theft of Inslaw's PROMIS software, as well as its dealings with Dr. Earl Brian in drug running, gun running, money laundering and national security thefts, is to be found in the owners of the buildings where SSP has maintained its offices over the past few years.

SSP currently maintains a 9,000 square foot office at 150 Cambridge Park Drive, Cambridge, Ma. The owners of record on that building are:

- * Steven H. Anthony
- * Joseph W. O'Connor
- * James A. Progin
- * Peter M. Small
- * Joseph Yanofsky
- * Robert Yanofsky

Up until April 1990, SSP was headquartered at the Riverview Building, 245 First Street, Cambridge, Ma. The owners of that building are:

- * John Kusmiersky of Beverley Hills, Ca.
- * Martin Spagot
- * Leonard H. Mandel
- * John G. Baker
- * Edward F. Barry

* Dean F. Stratouly

According to HAYSEED, Kusmiersky and Baker are known to be involved in money laundering activities for the Syndicate. He says that by tracing the backgrounds of these real estate holders, ties will be unearthed to companies in New York, Texas, the eastern short of Maryland and Britain which are all involved in the theft of PROMIS.

MEMORANDUM FOR THE FILES

4/30/91

Last week, when the Mercy jet took off from Bradley International Airport near Hartford, Ct. carrying blankets and other humanitarian aid to Kurdish refugees inside IRAN, Dr. Earl Brian and George Okon were on board. It is suspected by ONI and other USG agencies that the pair were traveling aboard the aid flight to carry money and/or other contraband out of the country. The humanitarian nature of the flight and the coordination between the Iranian and American governments virtually insured that there would be not attempt made to search the plane's cargo or passengers.

Brian and Okon deplaned at an intermediate stop, probably Tehran. Okon returned to the United States via Canada 48 hours later. Brian arrived on Saturday, April 27, 1991 at Boston Logan Airport aboard a private corporate jet. That jet originated somewhere in Texas. It is unknown how Brian re-entered the United States. It can be safely assumed that there is no Customs record of Brian's return. However, the fact that they made the trip under the cover of the humanitarian mission into Iran means that Brian and Okon now have active visas permitting them to travel in and out of Iran.

When Brian landed at Logan airport, Okon was waiting there to pick him up. They drove off together. The corporate jet that brought Brian to Boston was registered in Paris to Desault-Mysteir/Aerospaciale.

Source CHIPS reports that his USG sources are pretty sure that there was at least one journalist aboard the plane carrying the blankets to Iran. It is believed that Brian put up some or all of the money to finance the humanitarian aid flight into Iran.

There are many Americans now moving in and out of the Mideast, especially Kuwait and Saudi Arabia. There is an unnamed front company in the UK which is hiring American engineers to go into the Gulf to work

on reconstruction projects. It is an ideal cover for conducting covert operations. Another Boston-based group is working on a project to reclaim and restore the Kuwaiti art treasures looted by Iraq during the occupation of Kuwait City.

Brian's alleged involvement in financing the humanitarian aid flight is just one example of his involvement in spreading a lot of money around to "charitable causes." He also gives loads of money to politicians from both major parties. He has reportedly funneled a lot of cash into the Kennedy machine. Most of Brian's money is presently stashed in Canada. Banks referenced to CHIPS include Crocker Bank of San Francisco, Ca. and Crocker Ltd. of Montreal.

end.

MEMORANDUM FOR THE FILES

5/3/91

According to CHIPS, ONI is hot on the trail of George Okon and Dr. Earl Brian. It may turn out that Brian is in the middle of a major heroin transaction involving the Gambino family, dirty elements of U.S. and British intelligence and others. It is pure hypothesis, but worth noting that Brian's involvement in this apparent heroin shipment could be linked to his personal financial difficulties--ie. an attempt to get his hands on some quick cash to bail out UPI, FNN, etc.

The facts, as passed from ONI/Boston to CHIPS are as follows.

The Big City Diner, where John Gotti's chauffeur was seen shortly before his assassination last month, is just two blocks away from the Cunard Line pier on the West Side of Manhattan. The diner/private club is a hangout for people who use those shipping lines for smuggling.

There is a UK-German-Japanese consortium called Trio Container Service which handles the offloading of containers from ships. Apparently, employees of Trio in New York City are on the mob payroll and are used to smuggle drugs into the United States.

During Operation Desert Shield, enormous numbers of commercial containers and non-military ships were conscripted into the sealift of military equipment and personnel to the Gulf. As many as 25,000 containers have still never made it back into civilian shipping operations.

There is at least one, and probably two containers

that were specially constructed to conceal large shipments of heroin that are among the missing containers. One of the missing containers was manufactured by a company in the UK called Craven-Tasker. The container, an 8' X 40' model No. 150 668-1A, was rebuilt with a lighter weight false floor so that the weight of the container would conform to that of an empty container, while actually holding 350 kilos of pure heroin. The heroin shipment was part of an overall guns-for-drugs transaction. The container had been the property of Mitsui OSK Lines at the time that it was coopted into military sealift use.

The assassination of John Gotti's chauffeur, according to CHIPS' source, was linked to the missing container of heroin. The chauffeur was in some way directly responsible for securing the safe delivery of the heroin, and there is apparently some suspicion that the shipment was somehow bungled by him.

Two or three years ago, George Okon was implicated in a BATF bust of a shipment of 2,000 AR-15 rifles that had been modified into fully automatic M-16s, with the serial numbers all erased. The gun shipment was seized in Lower Manhattan and the "Japanese Group" was implicated in the operation. CHIPS' people believe that the BATF bust in the late 1980s and the missing heroin shipment today are part of the same ring. And they are convinced the Okon is involved.

Okon has two cellular phones in his car, as well as a fax machine. The use of cellular phones to fax messages is an almost foolproof method of relatively cheap secure transmission. One of Okon's fax messages was, however, intercepted. It contained the serial number (see above) of the missing container. That fax transmission was done at Logan Airport last week, while Okon was waiting to pick up Earl Brian. Okon is believed to now maintain an apartment in Everett, Ma. Early this week, he rented a Lincoln Continental in the Everett area and drove down to his other house in Peakskill, N.Y. with a trunk and back seat loaded with heavy wooden boxes (contents unknown).

Boston authorities apparently believe that there are at least two heroin shipments now missing in transit. The street value of the missing heroin is placed at \$750 million. These shipments are part of an eight month surge in heroin shipments into the New York/New Jersey area over the past eight months. The increase in heroin into the New York area is linked to the crack "poison" scare that has swept through the region in the past months. A number of people have died or been rushed to the emergency room after using crack laced with some kind of poison.

CHIPS says that the missing heroin could trigger a broader war among rival mob family factions in the

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New York/New Jersey area. He also reports that there is some kind of link between this story, Brian and Okon, and the Christian Defense League's paramilitary training camp in Reliance, Tn. The CDL has some kind of secret working arrangement with the remnants of the Jewish Defense League. This is tied somehow to the Project Democracy secret intelligence networks, and their dealings with the mob in generating cash through dope deals. The assassination of Meir Kahane in New York City last year was also somehow tied to this gun/drug operation. Presumably details will follow that will clarify this specific piece of the story.

end.

MEMORANDUM

6/22/91

The following are a series of chronological reports from CHIPS on the status of the George Okon case and the shipment of heroin. I will include the date the information was received at the end of each entry, as this is a "catch up" memorandum reflecting a series of discussions over the period May 3 to the present.

1. Okon is frequenting a store in Peakskill, NY called Books and Antiques, located at 101 South Division Street. The store may be functioning as a front for his criminal activities. This information reflects ongoing surveillance of Okon when he shows up in the Peakskill area. (5/3/91)

2. CHIPS reports from both police and ONI sources that it is expected that there will be other shootings relating to the missing heroin shipment into the New York City area. He described a drive-by shooting incident in Forest Hills, Queens of a couple in a Mercedes who were shot at by a team of people driving in a stolen sports car and two motorcycles. There was automatic weapons fire. Several of the attackers were caught and are described as hispanics. This shooting incident may be related to the heroin deal-gone-sour.

CHIPS also provided more details on a covert training site being frequently used by Okon to prepare his ex-SEAL teams for underwater dope pickups. The site is located near Downsville near the Catskill Mountains in New York state ten minutes from the Pennsylvania border. The area is convenient for access to the Vermont and Massachusetts borders as well. Okon trains between Monday and Thursday at that site. Among the guys training at the site with Okon are some former members of Seal Team II. They are doing some kind of training involving motorcycles,

possibly assassination tactics like those used frequently in Europe and South America. According to ONI sources in Boston there are Ku Klux Klan members supporting this training camp from the Pennsylvania and New Jersey branches. It is suspected that the assassin(s) of Rabbi Meir Kahane were also linked to the networks operating this camp. A CHIPS source in Fayetteville, N.C. (ex Green Beret) has independently confirmed that some of the KKK networks in Pa. are involved in largescale arms purchases.

(5/13/91)

3. As of the last week in May, the container carrying the heroin is believed to be in the port of Rotterdam. It now appears that there are more than one container, Two Japanese ships and one ship with Panamanian register left Rotterdam carrying empty containers. The containers on those ships arrived in Rotterdam from Nicosia, Bari and other locales. It is believed that one of the containers carrying the heroin will be dropped in either Massachusetts, Newark or Philadelphia. So long as the containers arrive manifested empty, they will not be searched by port Customs officials. The shipments will probably arrive in port after dark, further improving the probability that it will not be searched. The fall back is that if it appears that there could be some alert up in port (and the Gotti people will almost certainly be tipped off to any pending problems), the heroin will be dumped in the waters off Rhode Island in Long Island Sound and will be grabbed up by divers--ie. Okon's team. It is expected that the heroin will arrive in the United States within the next 21-35 days at the most. Estimates at this point are that the heroin load is 1,500 pounds of pure heroin.

George Okon recently purchased diving equipment for a five man team. The equipment purchased would allow divers to spend 45-60 minutes underwater, as deep as 90 feet. The supplies were purchased from the Westchester Diving Equipment Company. Okon, according to people keeping close tabs on his comings and goings, has been operating on an erratic schedule lately. His motorcycle was gone from his Peekskill house all weekend, and his Corvette was repainted and remained at the house. He has decals on the car that read "Scuba Divers Do It Deeper" and "Lady in Red." His Corvette has been spotted on several recent occasions outside the City Diner on 11th Avenue. At the same time, John Gotti's limousine has been there.

There has been a rash of cocaine deaths in New York City in May. Over an eight week period, 240 cocaine deaths were reported at the city hospitals. This has caused a panic and the price of cocaine has gone way down. The market is ripe for a massive influx of heroin.

(5/29/91)

4. It is believed by U.S. Customs Intelligence

that part of the money to finance the big still missing heroin shipment came out of Las Vegas. It may be the Sam Giancana organization. The fallout over the missing shipment continues since the assassination of the Gotti chauffeur. It is expected that there will be at least two more mob assassinations in the New York City area. One murder could even take place at the Big City Diner. Again it is expected that one of the top mobster's chauffeurs will be hit. (5/31/91)

5. Okon disappeared several days ago, shortly before police in Portchester, New York raided a garage where Okon used to stash some of his scuba equipment. Cocaine valued at \$50 million on the street was seized in the raid, carried out by the New York Drug Enforcement Task Force. Followup raids in Texas, New Jersey and elsewhere in New York should occur over the next 15 days.

Boston ONI believe that Okon is involved in the contract to bring the big heroin shipment into the United States. The load is now estimated at between 1 1/2 and 2 tons. The ship carrying the "empty" container arrived in the past days in Canada and it is expected that 1 1/2 tons of heroin will hit the streets of the East Coast of the United States within the next three to four days. Nick Adamo in Yorktown Heights, NY is believed to be the local point man for the arriving heroin. He owns the Route Six Hotdog Truck which is located usually at the Lee Boulevard Mall. He is believed to actually be the largest narcotics dealer in the area.

Okon's team of operators largely consists of ex-Navy SEALS who are now average between 35-50 years old. The operate as a team of contractors who are for hire to different narcotics trafficking organizations to facilitate clean pickups of drugs. This operation apparently got rolling post-1982 when the South Florida Task Force efforts prompted some of the Latin American drug traffickers to begin smuggling dope into New England.

CHIPS reports that it now appears that some Atlantic City interests also put \$50 million into the heroin purchase. (6/6/91)

6. On June 14, Port Authority Police found the body of Ralph DeSimone, 55, stuffed in the trunk of his car in a parking lot at LaGuardia Airport. Four days earlier, according to a New York Post clipping, he was kidnapped in Fort Lee, N.J. The kidnappers placed one call to his family demanding \$150,000 in ransom but never called back to specify any details. DeSimone was associated with the Genovese o.c. family and served a 10 year jail term in the 1970s for a drug conviction. DeSimone was a cousin of Louis Pacella, a man involved in the 1979 skimming of \$50,000 from the Westchester Premier Theater. FBI spokesmen told

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the New York Post "we are looking at an organized crime connection [to the murder] and a narcotics connection, among other things."

According to a CHIPS source two more hits are expected, perhaps in New York City and Florida. The Gambino-Gotti-Castellano family combine were involved in putting up the cash for the heroin shipment, and the deaths are a fallout of the problems with that shipment. This source, a special unit cop in Queens, New York, confirmed that Okon is a known entity who is known to pal around with police assigned to organized crime investigations. Some of these cops are known to frequent the Big City Diner on 43rd Street. Some of these murders are not only linked to the heroin shipment, but are also linked to the upcoming John Gotti trial.

As of June 17, the heroin shipment has successfully landed in the New York City area. The heroin passed through the Boston port on the day that the big parade was taking place in New York City honoring Desert Storm. A lot of resources were diverted into anti-terrorist missions surrounding that parade and as the result of Police and U.S. Customs attention being diverted, the heroin arrived into the New York City undetected. Now, however, some Boston area organized crime families are squawking over the fact that the heroin passed through their territory without them receiving a commission (even though the heroin was in and out of the New England area in less than eight hours). Nick Adamo of Yorktown Heights was definitely linked to the shipment's arrival in the New York area. Before being cut for street sale, the heroin was 98.3 percent pure Golden Triangle China White heroin.

One other Gotti link to this shipment could be through Bruce Cutler, Gotti's attorney and business associate. Cutler was recently on several occasions seen at the Le Chateau Restaurant in South Salem, N.Y. (the old Morgan estate). (5/17/91)

7. Safe Flight, an airplane company located at Westchester County Airport in White Plains is linked to Okon and possibly to some of the drug trafficking cited above. CHIPS now believes that the Okon-Brian connections may be of less significance than the Okon-Videnieks links. He has gotten some indications from his ONI sources that Videnieks and Okon were both Navy men in Vietnam at the same time. They possibly linked up there. This is not to say that Okon was not at Logan Airport meeting Brian's arriving flight or that the two are not involved together. It may be that the relationship between Okon and Brian is purely "business" and is handled on a case-by-case contractual basis (ie. Okon does "bodyguard" work as one of his covers), while the Okon-Videnieks ties are

(1)

more personal. (6/20/91)

8. It now seems that when the shipment of heroin arrived in New York City, some people on the New York Police Department's Organized Crime Control Bureau were aware of the pending arrival and did not report that information to the federal agencies. The NYPD OCCB had traced 1,300 pounds of cocaine to a warehouse which they apparently had under surveillance. That warehouse was linked to the expected heroin shipment. When the DEA and other federal agencies moved to bust the warehouse, they found the place crawling with NYPD cops from the OCCB but none of the narcotics were to be found.

The U.S. Attorney's office is fuming about this whole situation and they suspect that one particular Assistant District Attorney assigned to work with the OCCB is at least a key problem. She (unnamed) is a former clerk for Gotti's attorney Bruce Cutler. Recently she has been spotted on two occasions dining with George Okon at Le Chateau in South Salem. The U.S. Attorney now believes that as many as 25 members of the NYPD, most of whom are assigned to joint local-state-federal anti-narcotics and anti-organized crime strike forces, are currently on the Gotti payroll. Customs and DEA are steaming.

It should also be noted, according to CHIPS that the large shipment of China White heroin seized in San Francisco this week is part of the same collection of Desert Storm-delayed containers now arriving in the U.S. Again, the confiscated heroin is pharmaceutical grade. (6/21/91)

JEFF STEINBERG

MEMORANDUM FOR THE FILES

June 14, 1991

GRID OF DEATHS POSSIBLY LINKED TO OPERATION WATCH TOWER

The May 13, 1991 Spotlight has a lead article by Mike Blair on the Operation Watch Tower scandal, citing the Cutolo affidavit but also giving a run down of a number of people who all died under mysterious circumstances once they began asking too many questions about the operation.

* Col. Robert Bayard was murdered in Atlanta, Georgia in 1977 shortly after he provided Col. Cutolo with photographs of David Kimche and Mike Harari. I have spoken with two sources both intimately familiar with Bayard and the circumstances of his death.

One source reports that Mitch WerBell was furious at the Atlanta Police Department's coverup of the murder. A copy of the Atlanta PD file on the Bayard murder was obtained by WerBell at the time and may be retrievable still today.

The second source detailed the "official" version of the murder. Bayard had retired from the Army and set up a private investigative firm in Atlanta. The night of the murder, he was at a local nightclub that he was known to frequent. He left the club and was walking to his car when two black men assaulted and tried to rob him. A fight ensued in which one of the two men shot him. It is not clear whether the gun was Bayard's or the robbers'. A few days later, the gun was sold at a local pawn shop. The police back traced the gun and the pawn ticket to two wellknown local robbers, who were arrested for the Bayard murder. Here, the source was a bit fuzzy on the details. He seems to remember that the two accused robber-killers turned against one another and one or both provided the police with information pinning the shooting on the other. Both men went to jail, both were later released and re-arrested on a separate armed robbery case. Ultimately, the same pair was caught robbing a house and they got into a shootout with the police. One of the two was killed and the other went to jail for a long time.

Nothing in this story excludes the possibility that the killing was a contract hit and that the two black robbers, high on the Atlanta PD's roster of "usual suspects" were framed. It is not known to me or the source whether there were any eyewitnesses to the actual murder.

According to the Cutolo affidavit, at the time of his death, Bayard was scheduled to meet with David

Kimche to discuss his former activities with the U.S. Army and the CIA.

* October 1978, Sgt. John Newby was killed in a parachute accident. He was a member of the Operation Watch Tower team who was stationed at Fort Devens at the time of his death.

* Sometime in 1980, shortly after he wrote his March 11 affidavit, Col. Edward Cutolo died in an accident while on a military exercise, according to a letter written in 1990 by Paul Neri of the National Security Agency. From another source, Cutolo died in a car crash in England. According to Neri, Cutolo told him that he was scheduled to meet with Mike Harari in England at the time of his death.

* Sometime shortly after Col. Cutolo's death, Col. Bo Baker also died. At the time of his death (circumstances unknown), he was in command of the 1st Battalion, 10th Special Forces Group. Baker had been the commander of Operation Watch Tower prior to Col. Cutolo and had been responsible for recruiting Cutolo to the mission.

* On April 21, 1989, Col. James "Nick" Rowe was assassinated in Manila ostensibly by members of the Sparrows Unit of the New People's Army (NPA). Paul Neri had been working closely with Col. Baker and Col. Rowe in the investigation of Operation Watch Tower. In 1987, Rowe had attempted to get CBS Sixty Minutes to do a story on Watch Tower. According to Neri, Mike Harari was in the Philippines three days before Rowe's assassination and left the country three days after Rowe had been killed.

* In June 1989, Chief Warrant Officer Hugh B. Pearce died in a helicopter accident. Pearce had received a copy of the Cutolo affidavit and had been personally briefed at length by Cutolo. Pearce knew that Harari was scheduled to meet Cutolo in England at the time of Cutolo's death. Pearce in turn introduced Col. Rowe to Larkin Smith, a Republican elected official from Camp Shelby, Mississippi. Smith was later elected a member of the U.S. Congress. At the time of Rowe's assassination, he and Neri had been scheduled to meet with Larkin Smith to discuss the Watch Tower probe.

At the time of his death, Hugh Pearce was assigned to the Air National Guard in Wilmington, Del. He was an expert helicopter pilot and was assigned as the personal pilot of the commandant of the Delaware Air National Guard. Pearce, according to sources in the Delaware Air National Guard, died when his helicopter crashed in a severe storm.

* On Aug. 13, 1989, Larkin Smith died in a plane crash.

* On April 29, 1990, Paul Neri died.

An then, uh, my math teacher at the Priory, Mr. Earls (sp?) was living in one of the dormitories on campus. The ones that were by the lake over on the very edge of campus. And I'd ended up to be good friends with Mr. Earl, and he brought me into town one day and we had to stop off at his place, and there was a group of people playing there by the way, uh, music, and I walked up and I recognized some of the people that had been out at Kesey's. One of them was a girl that I was involved with and she introduced me to everybody, including Jerry Garcia, and at that time, Jerry Garcia he was a very neat and trim looking young man, and I've got photos of Jerry Garcia and others that I met in that time period in my diary and my scrapbooks. And, uh, I would say within a month, I was invited to a party on campus and it was a party in the English department at Stanford, and everybody was into esoteric things, the Egyptian Book of the Dead and Zen. There were alot of lectures that were given. All the people from Psychedelic Review, which was a publication, which featured as guest speakers. And then there was alot of drug taking. And all I was doing was smoking a little bit of marijuana. Even to this day, I don't drink. My personal habits are: I very rarely drink and I don't smoke cigarettes. I'm pretty much a tea-totler (sp?)

T.G.- What year was this now?

M.R.- This was in '65. And all through '66, these gatherings were occurring in the English department and I was pretty much, you know, on the outside. Uh, there were alot of small splinter groups that would form and people would go off in various discussions and various other social activities, and I was pretty interested in hanging around, uh, a couple of good friends of mine, one of them who is in the Schalow group and went there quite frequently, and the other was in the physics department. I don't want to give their names.

T.G.- Who were the leaders in this?

M.R.- Leary. most definitely.

T.G.- He was the leader in the English department?

M.R.- Well, in the group. He was not part of the English department.

T.G.- But he was the leader in the group and he was instrumental...

M.R.- Instrumental, yeah, and later on, when I was questioned by friends of mine in a security service company, a private security company, they indicated to me that the goings-on in the English department were quite similar to the group type meetings that were presiding over Harvard University. Now, in '66, the University officials became aware of these candlelight; they were referred to in the university newspapers, as candlelight LSD gatherings, and there was quite an uproar about it. And one day, we had a meeting at the Schalow group in the Varian physics department and we were

discussing this LSD phenomenon. The media had gotten it and we were all discussing it, Schalow insisted. John Emmet set the tone in the meeting by saying, "I make my living with my central nervous system and I think I'm gonna leave it intact." And that was exactly the sentiment that prevailed. And I think to this day, that had it not been for the powerful influence that John had: I really looked up to John and I don't think if I held him in such high esteem, uh that his opinion would have made such an impact on me, but it did really make an impact on me. You know, later on through the years, I saw that he was right. And I had to this very day, I have never indulged in taking acid or any other powerful psychadelic drug. You know, I've taken Librium before and I've taken Opatrome, (sp?) which is, you know, a form of amphetamine pill, but it's a commercially manufactured variety. It's not "made in a bathtub" variety. I became quit well known in the circles there for my light show and the sound work. And I was invited to parties in the city, up in San Francisco and a man named Bill Knuckles (sp?) was the first, well Bill Knuckles and David Kieth (sp?) Uh, David Kieth was a fellow student of mine at the Priory. They were the first ones to take me up to San Francisco and I went to several parties at Tony Peneda's (sp?)

T.G.- Spell his name please.

M.R.- Pinedea, P-I-N-E-D-E-A. And Tony was sort of a social gadfly in the psychadelic scene and his place was up in the Haight-Ashbury (sp?) and it was at his place that I met Luthy Green (Luther MacDonald Green) (sp?) and it was at his place that I first met Chet Helms and Ron Poultting (sp?) and the Resner (sp?) brothers and one thing led to another. And by '66, I was coming up to the Straight Theatre doing light show work, and I was, uh, doing consulting on sound work. Everybody from the Mind Troupe to the Committee, which was a theatre group in North Beach. I was starting to get around and I met Bill Graham when he had the Mind Troupe this was before he was a rock and roll promoter. And I had already known Bill Hand and David Freese (sp?). David Freese was the sound man for Bill Graham when he opened up his first shows at the Fillmore Auditorium.

T.G.- In San Francisco?

M.R.- In San Francisco and he opened it up when it was the Psychadelic Mecca. And Shortly thereafter, Chet Helms opened the Avalon Ball Room. Bill Graham wanted to put on his first shows at Winterland and he couldn't get Old Man Flaherty (sp?) to go along with it. Because, you know, the Ice Follies was a pretty prestigious thing and Winterland was a nice auditorium. And the stories of the acid tests, which were held at Longshoremen's Hall in San Francisco (those were the impromptuguerilla-type gatherings, guerilla theatre type happenings, you know, Kesey planned, where they'd have rock and roll music and LSD available to everybody. Now contrary to popular belief, the Lsd at the acid tests were not put in the kool-aid. It was put in the ice cream. It was ice cream that was specially prepared at Foremost at one of the plants, and there was

an inside person that was actually related to somebody in the company. The company didn't officially condone this, of course. The individual took the pure liquid viles, Sandoz viles, from Leary and compounded it into the ice cream for the acid test at Longshoremen's Hall. I knew the brother of the guy who actually did it, and the way they got away with it, well it was his step-brother -- Bill Walt -- was his step-brother and his older brother was a Della Osa. Ernest Della Osa (sp?) was the executive vice president of Foremost International and the brother was working as the manager of one of these ice cream processing plants, and he knew somebody close to Kesey and, you know, that was the connection. At that time, LSD was not uh... in 1966... in '65 and early '66 LSD still wasn't a scheduled substance. IT wasn't illegal.

T.G.- It was not illegal?

M.R.- No, it was made, in 1966, that it was illegal, so I mean this was happening all over. The amphetamine was illegal, but the other things like NTA and TMA, which was synthetic mescaline, those were not illegal until the Controlled Substances Act of 1969, so you know alot of this stuff was out in the open...because of the fact it wasn't unscheduled. Anyway, I became quite involved with the Straight Theatre and I became quite involved with Chet Helms and Bob Cohen at the Avalon Ball Room. And I set up, with Bob Cohen, we set up an electronics laboratory in one of the rooms off to the side of the dance floor at the Avalon Ball Room, which we set up as a recording studio, and which we set up as an experimental laboratory for the visual display and sound-type equipment, and we got pretty esoteric with some of the stuff we did. I have alot of big 8 tapes, alot of 16mm film footage of the Avalon Ball Room shows, and I have an audio tape of every show that was ever put on at the old Avalon Ball Room, and I've got most of the shows that were put on in the Avalon Ball Room when Chet lost his lease from the Scottish Rites people, you know, at the Avalon Ball Room at Sutter and Van Ness and had to go down to the coast. But I was a full partner with Chet in Family Dog Enterprises, with Chet Helms, myself, Chet's wife, Laurie, and Bob Cohen. We were it, basically. There were alot of other people in the situation, well over 60 people involved. I was also involved with the Straight Theatre. I was a principal. And that was the old converted Haight Theatre, which was converted into a dance hall. We took out the, on the bottom floor, we took out alot of the seats and then we put in a parkay floor, dance floor. Uh, that was in late '65 that we started on the Straight Theatre. Uh, late '65, early '66. My memory's not clear on that. I've got diaries on just everything. Okay, so I can get very specific if any dates prove to be inaccurate. When we built the Straight Theatre, on doing, uh, rock and roll concerts there to generate bread and butter and we were going to do underground movies there. Luther MacDonald Green was the principle driving force behind the Straight Theatre. Bill and Hillel Resner were the business managers of the Straight Theatre. I later learned, I would say middle '66, I learned from Chuck Emmet that Bill and Hillel Resner were the sons of Herb Resner,

who is a lawyer for the Communist party in the United States. And at that time I hadn't noticed anything really suspicious going on, but I think you can see from what I've told you, I was there right when it started.

T.G.- What about underground theatre? What kind of movies are you talking about? Are you talking about movies?

M.R.- Uh, mainly Fellini type flicks; all sorts of really off-the-wall type stuff. We have some simplex projection equipment, we have some 16mm type stuff, up to big simplex.

T.G.- Were these drug (related), satanic or what?

M.R.- No, very little satanic influence. Kenneth Anger (sp?) from the Himalayan Academy, was around quite a bit. Robert Love from the Love Family was there quite a bit. Basically, the hip scene in the Haight Ashbury was a pretty amorphous thing, and the Straight Theatre was the only tangible gathering place in the community. And you had everybody coming there, wanting to use the facility to do their thing and, as a consequence, a lot of the more organized, you know, people, you know, would surface there at the theatre. And the Grateful Dead practiced there quite a bit and of course, that attracted a lot of people.

T.G.- What about the underground theatre? Was it communist material or what?

M.R.- It wasn't oriented toward the peace movement. It wasn't drug oriented stuff really. Leary was there only once to my recollection and I knew Leary pretty well. Uh, later on when Leary had charges down in San Mateo, Leary gave me power of attorney over his property in San Anselmo, so, you know, I got to be pretty friendly with Leary. I took care of his home in San Anselmo. In fact, until early 1968, I took care of that piece of property for him, made sure the taxes were paid, and uh...

T.G.- What was the next step after this? Did you get into the new love movement or what?

M.R.- Well, the Peace and Freedom Party showed up there, the Sexual Freedom League was always around wanting to put on some sort of a gig there and likewise; at the Avalon. Uh, they wanted to, you know, put on benefits. We staged a lot of benefits at the Pan Handle which was an extension of the Park that went actually into the Haight Ashbury. And we put on a lot of concerts in the park too, both through the Straight Theatre and the Avalon Ball Room. And, uh, the Peace and Freedom Party, they were starting to put on a lot of gigs.

T.G.- What year was this?

M.R.- This was in '66. And, uh, I started getting involved in the Peace

M.R.- Yeah.

U.P.- That's Army Sergeant. Green Beret.

M.R.- And, you've gotta realize that a deal was made between Dr. Nichols and Philip Thompson. Uh, they were gonna help Thompson get out of his current difficulties with... Uh, they were going to uh... Uh, in December of '81, we had received word, you know, through the Wackenhut structure that an attempt was going to be made on my life. And we later learned that Ben Kalka had paid the Hell's Angels a quarter of a million dollars to get rid of me.

T.G.- But they're your frinds, aren't they?

M.R.- Well, some of them are. Now this, the decision to kill me, was not made in church. Do you know what that means?

T.G.- Not in a group.

M.R.- Yeah, it's a specific term pertaining to "in a meeting".

T.G.- Controlling, controlling faction.

M.R.- Right. Uh, it was not made in church. They would have never done that. This was a group controlled by Doug Orr (sp?), who was the Sergeant of Arms, former Sergeant of Arms for the Daly City, uh, chapter. And, uh, Whitey and Jim-Jim and Deacon and Sergei (Sir Gay?) (sp?) uh, you know, were involved in it. Uh, I believe Jim-Jim was in jail at the time. I'm not sure. I know that his vote was put into the pot. Uh, and Kalka was just horrified by the fact that I was with Paul Morasca. Paul and I had been friends ever since I was a sophomore in high school. That's how far back Paul and I go. And nobody knew of our relationship. And Paul and I put together a company called Recovery Technology Inc., which was going to develop and operate some new and different technology in, uh, or in precious metals processing. And, I mean, the significance of this technology was astronomical. I had Dr. Fun Den Wang, head of the Earth Mechanics Institute at the Colorado School of Mines, begging for Paul and I to be included in the R.G.I. venture. I mean this technology was really hot! And it attracted alot of attention, even though we didn't publicize it. Uh, usually in a gold or mining deal, people will go out and they'll try to hustle money and ninety percent of them, of the deals, are just scams. Uh, we had something, was able to stew in its own juice. Uh, we had the equipment put together. We had the necessary operating capital. It took us less than fifty thousand dollars to get started. We started at Hercules with the scrap and residue platinum catalyst, which was left over in the acid plant. And we were able to generate a hundred and thirty thousand dollars out of that. And, uh, we went up to some, uh, tailings piles, which were up in the northern part of the Sacramento River and we worked those. And we were able to recover the platinum. Uh, on some of the older sites, they didn't have the process technology, at that time, to remove all of the values, especially the platinum group metals. And were able to very economically and very quickly process these values. And at the time of Paul Morasca's death, this technology package was stolen. Uh, portions of it were at the condominium. Other portions

were in a safety deposit box at California Canadian Bank. Other portions of it were in a personal file, which I had kept at Hercules and my wife was the only other person who knew where it was. And my wife, at that time, was having an affair with a Frederick Eugene Card and she turned, uh made available to Fred copies of certain paperwork, which he copied and returned to her. Interestingly enough, before I ever met uh [deleted], uh, Fred Card bragged about having been next to my wife like that, uh, you know, specifically by name, and that he had been able to get certain bits and pieces of the process. And, didn't Fred say that there were certain other things that he needed -- that he was confident he could get any time that he needed from Phyllis?

U.P.- He told that to Stanley Skiba in Goldfield, Nevada.

M.R.- Okay. Uh, they were having some difficulties in making the process work there. And I feel that, you know, this had something to do, you know, with Paul's death.

U.P.- But he did not say that he had a sexual relationship with your wife. He said he was very close to your wife.

M.R.- Okay, but my wife has admitted to me having had relations...

T.G.- But you're divorced now?

M.R.- Pardon?

T.G.- You're divorced now?

M.R.- We're going through the divorce now. We're just going through the property settlement, Ted. And, uh, in my current financial situation, my wife doesn't want to believe that that's a reality. You know, I've been being kind to her by not, uh, by not bringing up the uh, issue of, uh, her, uh, betrayal, uh, to me, uh, to, uh, you know, Fred Card. I mean, I wanted to keep that off the record. If they persist in being hard-nosed in the property settlement, I may uh, I may have to take a different attitude and, uh, drag her through the dirt, which I really don't want to have to do. You know, she's had a hard enough time getting reestablished on her own, which she's done, uh, quite well. Uh, but, uh, anyway, Ted, there was a viable business entity involved with recovery technology. It wasn't just a nebulous front for something. There was some very unique and different technology and the fact of the existence of that technology can be checked and verified through the Colorado School of Mines, and by the fact that Fred Card has just recently, uh, sold it to the, uh, Australian Government on a ten million dollar contract. So there was some very significant technology there. Uh, what makes this technology so, uh, really hot is that it can be used for cobalt and other strategic metals, and that was the main interest of Dr. Fun Den Wang, was from the strategic metals reserves. Uh, we have cobalt deposits in Idaho in this country. They're very low grade and difficult to process and he felt that what I had demonstrated to him at the laboratories at Hercules would lend itself to, uh, economical, uh, beneficiation at the cobalt deposits in Idaho, and he wanted in on that. He was willing to lend the full weight of his name and his department if he could be in on it. And, uh, we, at that time, we had already

locked up the deal with Dr. Fred Quell (sp?) who was one of the top people in the Office of Naval Research at, out of Boston. And Fred Quell was bringing shock-wave technology into the project. Fred Quell's position with ONR put him in touch with all the latest technology that Naval Research was looking at. He holds special clearances, in fact, he holds some of the highest clearances of a civilian in any area connected with the United States Navy. He's also one of top people, scientists connected with the Fleet Ballistic Missile Command. So Fred was a pretty potent guy. And, uh, Paul Morasca and I were also dealing with Fred Quell and Doug Curry (sp?) and Dick Baker on technology. And we had agreed to bring them in on a consulting basis, uh, one day a week for a year for twenty-five thousand dollars. And with Dick Baker, it would have been four days a week, which would have been an annual fee of a hundred thousand dollars, and with Doug Curry it would have been initially two days a week for the first four months, while he was still head of the Physics Department for the University of Maryland; then he was going to come with us full time, five days a week. And, uh, the technology that Doug Curry was bringing in was the software and signal processing, which was used in the, uh, which he developed and which was later used in the space telescope and in the SHAD, Stellar Horizon Atmospheric Dispersion, which is a system of navigation, which will eventually be the main-stay of our ballistic missiles. Uh, it's much more reliable and much more accurate, you get much better CEP's, Circular Error Probable, with SHAD than can even be approached inertial, uh, guidance systems and the global, connected with updates from the Global Positions Service. And this was very, very, you know, hot technology. Dick Baker had certain patents in power supply technology. His patents were the basis in Exxon's, uh, hundred million dollar venture in the electronics filed, which the Justice Department saw fit to break up. And we specifically had a project where we were negotiating a fixed-price contract using Hercules Research technology, combined with the technology Dick Baker had developed. And it was a forty million dollar contract through 1990, scheduled to begin in March of, delivery of the first ten units for sixty thousand dollars apiece was scheduled in, uh, March of '82, to begin in March of '82, and then there were delivery increments to be met through 1990. And the total price of the contract was approximately forty million dollars. And we had the working models and we were ready to go on it. And Paul was going through the final phases of, you know, typing up the deal when he was killed. Now, the FBI was told this not only by me, but they were told this by representatives of Wackenhut Services. Wackenhut Services is a company which currently has, uh, contracts with the United States Government, dealing with atomic weapons security. So they should have listened. And anytime there is any hanky panky, or suspected hanky panky, such as drug activity around people who are involved in making power supplies that are intended to be used in the latest state-of-the-art isotope separation to make hydrogen bombs, I mean they should have been able to come in and roast people!, I mean, the hell with reading anybody their rights! And they chose to down-play that completely. The only, uh, indication that I got that the FBI was aware and really believed that the technology existed around me was by the man identified to me as Bill Rice, and identified as Supervisor, when he told me that they were absolutely terrified of the technology that I had! And then he was very .

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specific and he went into laser isotopes and spread spectrum communications, you know, by name. So they knew and they chose not to pursue that. Uh, Philip Thompson convinced my father, this was in late February...

T.G.- What year?

M.R.- '82. And I had left, uh, Hercules in fear of my life at the end of January. So I'd been gone and Philip Thompson was still around and he convinced my father that I had an on-going drug enterprise at Hercules and that the FBI knew about, and they were ready to pounce on it at any time, and that my father should let him go through the plant and see if he could find any of the stuff so he could, you know, destroy the evidence. And Philip Thompson came up with a file cabinet, which I had very well hidden in the plant. You know, there's hundred of acres there. I mean, lots of room to hide things, and Thompson removed that cabinet from Hercules and that had all of our plan projects in it. It had a project that was given to me personally by the Research Director of Decisions and Designs Incorporated, Dr. Charles Wallich (sp?) on the latest technology in nuclear weapons storage security systems.

T.G.- It [the tape] just conked out.

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M.R.- Uh, what I later learned through Dr. Nichols was that Thompson had removed records from Hercules and I confirmed that he had gotten the file cabinet. Uh, I told the FBI what was in it, and so did Dr. Nichols and so did Peter Zokosky. Uh, Peter Zokosky, you know, has top secret clearances for ordinance, and, uh, Peter Zokosky confirmed that the minutes of the meeting that Bob Frye and I and Peter Zokosky had with Colonel Duchesin (sp?) who was head of the Army's Munition Base Modernization Program, uh, were also included in that file, as well as personal correspondence between myself and Dr. Harry Fair on E.M. Launchers. I mean, there was some very sensitive stuff in there that Thompson removed. And, uh, within a week after that file cabinet was removed, Thompson's girlfriend, Elizabeth, took a vacation to, uh, Israel. And she took, uh, most of what was in that file cabinet to Israel and, you know, passed it over there. That was later picked up and relayed to me through two sources: one came through, uh, General Peratt (sp?) in Israeli intelligence and uh, Stan Singer, who was formerly in the Israeli Defense Department, and the other came through the Wackenhut structure. And they had attempted to pass it through the Fourth (sp?) International, people in the Fourth International Movement in Israel. And I told this to the FBI...

T.G.- Who did you talk to in the FBI?

M.R.- Agents Barnes and uh Vollares (sp?) And I volunteered to take a polygraph test. And they said, "oh no, that's not necessary." And I said, "Well, hey, this is pretty sensitive stuff. I'll even waive my rights and, as long as you have a doctor present,

I'll even go under sodium penethol, you know, just to let you know that I'm, uh, on the level. You know, I want to get this resolved." And, "Oh no, we don't work that way. That's not necessary." And then, Bill Rice, he was really anxious to get started on the program with me, and he and I started talking, and Agent Barnes got up and interrupted it and asked Rice to leave the room. He was very upset taht Bill Rice and I were getting on the same wave-length. I mean, he was visibly upset! And, I mean, I can't figure that out at all. And the gutt feeling that I got off of Bill Rice, was that he was a decent guy and wanted to get to the bottom of this. And the feeling that I got from Barnes was there were things he didn't want to investigate. He did not want to investigate Philip Arthur Thompson in any way, shape or form. He did not want to even hear about Paul Morasca. He was interested in Ben Kalka, uh, and he was interested in Sarges (sp?). And when I asked him about Holbert, he said, "Oh, don't worry about Holbert. He's just a nut. You know, we know who he is."

T.G.- Barnes said that?

M.R.- Yeah. He said, "Yeah, he's got alot of credentials, but he's just a nut." You know, he said, "Don't worry about Holbert." Barnes asked me about this Wayne Butler. He said, "How significant is Wayne Butler in Kanazi's (sp?), Richard Kanazi's amphetamine operation?" And, uh, I said I didn't know Wayne Butler personally. And he said, "Oh well, if you don't know him,. he must just be a peon." Okay? And we just, you know, passed over that. And then I explained to Barnes that after Paul was dead, that I had learned from Jim de Silva that Paul had corraled all the companies raw material assets and that he had used Jim de Silva to go and pick it up. And Jim de Silva didn't realize the type of move that, you know, that Paul was making. The reason why Paul was in that position was that Ben Kalka was a fugitive from justice and he had been hiding out in Colorado. Anyway, uh, the raw materials were sitting there. Jim de Silva was willing to turn them over and, uh, we, Jim de Silva and I had hatched up the story which Jim passed on to everybody, which I passed on to everybody-- was that I moved in and grabbed the raw materials, when in fact, there was just too many of them to grab; there were twelve hundred, fifty-five-gallon-drums of mono-methylamine (sp?) and close to half a million pounds of phenyl acetic acid, as well as all the other material necessary to, uh, you know, to make amphetamines. And the FBI said, "Will you get a hold of de Silva and call us Monday?" And I got a hold of de Silva late Monday afternoon and Joe Morasca had already been to him and, uh, made him a rather violent offer and Jim told them where it was and they just went and picked it up. And it was gone. And that's when I started getting cold feet with Barnes. And I immediately told Don Wager (sp?), you know, what the situation was. So Don Wager said, "Well, we're not going up to San Francisco to meet with them. Let's, I'll talk to Trot (sp?) or MacIntyre and we can get a room at the Federal Building or, uh, I'll talk to somebody at the FBI and we'll get a room there. So he set up a meeting in Los Angeles, uh, for myself to meet with Barnes and Vollares, and they agreed to come to the meeting. And on the day of the meeting, they called fifteen minutes before the appointed time, and they said that they were declin_ing to show up at that meeting and that they expected to see us up in San Francisco.

And it was at that time, that I, uh, broke off, uh, attempting to work with those guys at all. Uh, Jim de Silva's wife was pregnant and was beaten to the point of nearly having a miscarriage in front of Jim, and he told them where the stuff was. Now, for over six weeks, everybody had stayed away from Jim, because they believed the story that I had grabbed the stuff and run. And, I just find it more than highly suggestive that as soon as I told Barnes and Vollares what the truth was, that something happened to de Silva. I just think that was more than a coincidence. And, uh, I have polyographed to that and I would polygraph again, you know, to the details of that part of the story. And, uh, it just scared the hell out of me -- absolutely scared the hell out me! This represents a block of power on the drug scene. The only problem is that those, uh, materials are, you know, are not, they've been, uh, worked on. Both the MMA and the phenyl acetic acid, uh, have markers in them. I don't want to go into the details of what they are. I have samples. I have two one-gallon jugs of the, uh, mono, uh, methylamine. There's two differently coded portions out of all of that: one from Air Products and one from, uh, IMC Corporation. And the phenyl acetic acid is just one batch. That all came from an English company. And, uh, well it came from an English company through a shipping company in Los Angeles, uh, and was originally ordered by Zero Waste Systems out of Berkeley. The thing is, if you go to make amphetamines, you'll get less than, uh, an acceptable product. And, you know, that's really caused them alot of problems. And it's only a matter of time and money, uh, and getting the right chemist to find out what the problem is with the materials and remove the, you know, the indicators and the other, you know, trace, uh, you know, materials that we had mixed with. Uh, and the materials that were added to the MMA, that was then at the point of production, when it was put in the fifty-five-gallon drums. Uh, the phenyl acetic acid, I convinced Ben Kalka that, uh, with a spectrum analyzer unit that I had, that I was getting a weak signal and, uh that there might be a bug in it. And Ben Kalka arranged to set up a screen operation and he actually had all that phenyl acetic acid screened, and, uh, he was there, personally supervising it. And if you know anything about phenyl acetic acid, it's really, it's a powder material, but it has an odor and the fumes burn your skin. I mean, he had burns, you know, all over his body from that. But just to make sure that there was no bugging device or tracking device in any of those drums, plus Paul Palmer at Zero Waste wanted the fiber drums back, and uh, he, uh, you know, so Kalka screened the stuff from part and parcel to that. And in the screening apparatus, uh, there was a bleed system, which bled a micro-tagynt(sp?), uh material into the, uh, you know, a heavy metal type, uh micro-tagynt into the phenyl acetic acid, and uh, so the pile of material was really useless to the company now, unless they are able to unravel what I did to it. And it's a very frightening thought that if they do manage to do that, I mean that's billions of dollars, I mean literally billions of dollars of drugs. And one of the problems I had with Don Wager when, you know, I was trying to explain this to him, and with him ultimately explaining it to Steven Trot and General MacIntyre, was they were under the impression that there was no, uh, widespread market for amphetamines. I mean, that was the impression that I got from them.

T.G.- Wager was your attorney? ↗

M.R.- Wager was my personal attorney.

T.G.- In L.A.?

M.R.- And they really thought there was no, uh, wide-spread market for that

T.G.- Why were you dealing through Wager? ↗

M.R.- Uh, I was, uh, to have Harlen Braun (sp?) as an attorney. And, uh, after Paul's death, Ben Kalka was in contact with me and he was frantic. He didn't know what had happened. And he didn't know that I knew that he had me written up, and he wanted help. And I said, "Hey, Ben, the only way I can help you is if you'll testify against Holbert, and come out to the desert and talk with me." Uh, I was delayed in coming to the desert and so Ben Kalka went to see, you know, Dr. Nichols on his own. And I was in the process of gathering up some things that we were going to put into a vehicle that belonged to Holbert. We were gonna set Ben up to get grabbed by the, uh, San Bernadino narcotics, uh, people with stuff in Holbert's name, and we were gonna put him in a position where he had no choice but to talk about Holbert. You know, it was dirty, but it was nothing, you know, compared to Kalka wanting to have me killed. And, uh, Philip Arthur Thompson learned where Kalka was, called him, and talked him into meeting in, uh, downtown L.A., right outside of Harlen Braun's office. Now, we had told Kalka that we would set him up with Harlen Braun to represent him if, uh, he was willing to testify against Al Holbert and Al Holbert's involvement in the drug scene and in, uh, espionage matters. And Kalka said that he would do it if he could be provided with protection, and he wanted protection for his father and mother. And we said that could be arranged. Let's, you know, start talking. And Thompson weasled his way in there and he told the FBI and the DEA, you know, where, uh, Kalka would be and, you know, they came and arrested Kalka. So then Harlen Braun represented Kalka initially, and then, uh, he, uh, withdrew from, you know, representing Kalka. And then I was going to get Harlen Braun as an attorney, because I was in a position, you know, to turn those drug raw materials over, and, uh, I wanted to use those as a bargaining chip to make sure that the authorities hunted to the ends of the earth until they got everybody involved in Paul's death. This was after I retained Braun, and said, "You can't do that," you know, to Braun. He really got pushy. "You represented me and Mike is, you know, going to be at odds with me and that's a conflict of interest. So Harlen Braun referred me to Don Wager, you know, to uh, take the matter. Don Wager was not connected with the organization, but they checked him out and said that he would be acceptable, you know, for this. And they advised me not to over-communicate with him, you know, about matters not directly related to the case. And uh, so that's how I got started with Wager, and Wager had lots of juice. The only problem, you know, is I think Wager over-simplified the situation and he said, "Well, if you're with the Wackenut structure and you're working with them, they can just pull strings and have it taken care of." Well, it wasn't quite that simple and Wager didn't realize the pull in the Justice Department to get me out of the

way. And the thing is, that group has always been, uh, since the uh, late sixties, have always pushed to try to actively get me to participate in it, and they've caused me a lot of problems in the past, legal problems in the past, uh, you know, to try and push me in their direction, and I've, uh, resisted. And uh, Kalka even made the offer that I could have all the funding I needed for my research work, uh through a Michael Nay(sp?). Uh, Michael Nay is one of the top three guys in the Lawrence Livermore Laboratory structure, management structure. Uh, and I'm just inferring that he's involved with Holbert because of the way Kalka used his name. And, uh, if that's so, you know, that's another real problem area. Uh, Al was strictly a money man. Paul did all sorts of overseas transfers and he represented a certain trust position in this country, and for a young man, he was really well placed in the international scene. And he was also very naive about things. And the way he got involved with Ben Kalka, uh, was through his brother, Joe, and he thought that he was just handling some funds on his brother's behalf on some marijuana. He had no idea, uh, you know, what was involved. And Ben Kalka lost four hundred thousand dollars plus to a, uh, prostitute in Las Vegas over financing a whorehouse situation and rather than admit the loss of the cash, he tried to make it look like a shortfall from Joe's, and Paul was handling certain monies, you know, for that group, and Ben Kalka wasn't available on a regular basis, because he was a fugitive. Joe was getting the short end of the stick, so Paul moved in on the situation and he said, "I'll clean it up, but I want Joe out of it." And Paul was in that position for, I would say, five or six months. And I told Paul and I told Dr. Nichols that we needed this like we need a hole in the head! Why can't we find some other operative or somebody to, you know, stick in there, so Paul can be clear of this, because, you know, that's just too close to me! And, you know, he said, "We'll do it this way, and everyone will be rounded up as soon as we have the information that we need on, you know, Holbert's relationship, uh, with, uh, the rest of the company." So I said, "Okay. All these activities I want, uh, only with one answering service. That's the only thing that goes on there. --none of our other activities on that. And I want, you know, a log kept on that." And when I was interviewed by the San Francisco homicide detectives, I turned that information over to them directly. You know, I explained the situation to them and I said, "Here it is." And that was the most substantive lead -- you know, because they had all the names, all the telephone numbers that Joe Morasca had been dealing with and that Ben Kalka had been dealing with. I mean, their whole structure --something that the narcotics people had been trying to get for fifteen years. And Paul and I, we have a written agreement with the Wackenhet structure to this effect. WE were in the process of turning over all of these people. I mean, we were in the process of destroying the company, you know, through the Wackenhet structure.

T.G.- What happened to that agreement?

M.R.- I still have a copy of it.

T.G.- And are you still working with John?

M.R.- Absolutely!

T.G.- Through Frye?

M.R.- Through Frye. Absolutely! Uh, Frye's focus is on Jimmy Chadra (sp?) for some reason. And, you know, even though the main guy is Al Holbert. But, uh, uh, the...I lost my train of thought here. The situation with the company is, they have not let me alone, and I had no idea that Holbert...

U.P.- You said you had turned everything over to San Francisco homicide.

M.R.- Yeah. That was on the list of names and contacts.

U.P.- And you said that Frye [unintelligible] Jimmy Chadra, instead of Al Holbert.

M.R.- Uh, the San Francisco homicide people, they never really pursued the information I gave them. Uh, Ben Kalka, today, has a motor-cycle shop in the Bay Area. Uh, he's doing a land office business in, you know, narcotics. John Yenshy, his main man, they're not even investigating Yenshy for anything. Uh, and most of the other people that were included in that list are virtually un-molested.

T.G.- How about Holbert? Should we talk about Holbert?

M.R.- Yeah. Holbert, uh...

T.G.- You can start at the beginning with Holbert. Remember, we started that last night.

M.R.- Yeah, I met Holbert, uh, in the Portola Valley, in the, uh, in late 1965/early 1966. And I met him at the... Uh, Al C. Holbert

T.G.- Albert C. Holbert?

M.R.- Yeah. Uh, I met him at the home of Michael and Babette Wills in late '65/early '66. Uh, I was introduced to the Wills by Charlotte Davis, who was an old family friend of ours; she'd known me ever since I was a baby. And Michael and Babette Wills were very interesting people. They introduced me to, uh, Holbert. Michael Wills was a former State Department employee, uh, he was assigned or his area of specialty was the Far East.

U.P.- Wills?

M.R.- Michael Wills. W-I-L-L-S. And when I went to dinner there, the first time I met those people, Al Holbert was there. And, uh, he was very interested in the type of work I was doing. Very interested in the fact that a high school student could be so involved with TymeShare. Tyme Share was the first computer time sharing company in operation in the United States. Uh, and he was very fascinated by the fact that a teenager could build lasers. And we became very friendly. And I wasn't working with anything classified, at that time, and I spoke openly to him. And I was proud of the work that I was doing at Stanford for Dr. Schalow. And Holbert seemed to be a very knowledgeable and interesting guy. And I met him several other times at the Wills' and he invited me to, uh, I can't remember the name of the town, it was, you know

specific and he went into laser isotopes and spread spectrum communications, you know, by name. So they knew and they chose not to pursue that. Uh, Philip Thompson convinced my father, this was in late February...

T.G.- What year?

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T.G.- Barnes said that?

M.R.- Yeah. He said, "Yeah, he's got alot of credentials, but he's just a nut." You know, he said, "Don't worry about Holbert." Barnes asked me about this Wayne Butler. He said, "How significant is Wayne Butler in Kanazi's (sp?), Richard Kanazi's amphetamine operation?" And, uh, I said I didn't know Wayne Butler personally. And he said, "Oh well, if you don't know him,, he must just be a peon." Okay? And we just, you know, passed over that. And then I explained to Barnes that after Paul was dead, that I had learned from Jim de Silva that Paul had corralled all the companies raw material assets and that he had used Jim de Silva to go and pick it up. And Jim de Silva didn't realize the type of move that, you know, that Paul was making. The reason why Paul was in that position was that Ben Kalka was a fugitive from justice and he had been hiding out in Colorado. Anyway, uh, the raw materials were sitting there. Jim de Silva was willing to turn them over and, uh, we, Jim de Silva and I had hatched up the story which Jim passed on to everybody, which I passed on to everybody-- was that I moved in and grabbed the raw mater_jials, when in fact, there was just too many of them to grab; there were twelve hundred, fifty-five-gallon-drums of mono-methylamine (sp?) and close to half a million pounds of phenyl acetic acid, as well as all the other material necessary to, uh, you know, to make amphetamines. And the FBI said, "Will you get a hold of de Silva and call us Monday?" And I got a hold of de Silva late Monday afternoon and Joe Morasca had already been to him and, uh, made him a rather violent offer and Jim told them where it was and they just went and picked it up. And it was gone. And that's when I started getting cold_feet with Barnes. And I immediately told Don Wager (sp?), you know, what the situation was. So Don Wager said, "Well, we're not going up to San Francisco to meet with them. Let's, I'll talk to Trot (sp?) or MacIntyre and we can get a room at the Federal Building or, uh, I'll talk to somebody at the FBI and we'll get a room there. So he set up a meeting in Los Angeles, uh, for myself to meet with Barnes and Vollares, and they agreed to come to the meeting. And on the day of the meeting, they called fifteen minutes before the appointed time, and they said that they were declin_ng to show up at that meeting and that they expected to see us up in San Francisco.

And it was at that time, that I, uh, broke off, uh, attempting to work with those guys at all. Uh, Jim de Silva's wife was pregnant and was beaten to the point of nearly having a miscarriage in front of Jim, and he told them where the stuff was. Now, for over six weeks, everybody had stayed away from Jim, because they believed the story that I had grabbed the stuff and run. And, I just find it more than highly suggestive that as soon as I told Barnes and Vollares what the truth was, that something happened to de Silva. I just think that was more than a coincidence. And, uh, I have polyographed to that and I would polygraph again, you know, to the details of that part of the story. And, uh, it just scared the hell out of me -- absolutely scared the hell out me! This represents a block of power on the drug scene. The only problem is that those, uh, materials are, you know, are not, they've been, uh, worked on. Both the MMA and the phenyl acetic acid, uh, have markers in them. I don't want to go into the details of what they are. I have samples. I have two one-gallon jugs of the, uh, mono, uh, methylamine. There's two differently coded portions out of all of that: one from Air Products and one from, uh, IMC Corporation. And the phenyl acetic acid is just one batch. That all came from an English company. And, uh, well it came from an English company through a shipping company in Los Angeles, uh, and was originally ordered by Zero Waste Systems out of Berkeley. The thing is, if you go to make amphetamines, you'll get less than, uh, an acceptable product. And, you know, that's really caused them alot of problems. And it's only a matter of time and money, uh, and getting the right chemist to find out what the problem is with the materials and remove the, you know, the indicators and the other, you know, trace, uh, you know, materials that we had mixed with. Uh, and the materials that were added to the MMA, that was then at the point of production, when it was put in the fifty-five-gallon drums. Uh, the phenyl acetic acid, I convinced Ben Kalka that, uh, with a spectrum analyzer unit that I had, that I was getting a weak signal and, uh that there might be a bug in it. And Ben Kalka arranged to set up a screen operation and he actually had all that phenyl acetic acid screened, and, uh, he was there, personally supervising it. And if you know anything about phenyl acetic acid, it's really, it's a powder material, but it has an odor and the fumes burn your skin. I mean, he had burns, you know, all over his body from that. But just to make sure that there was no bugging device or tracking device in any of those drums, plus Paul Palmer at Zero Waste wanted the fiber drums back, and uh, he, uh, you know, so Kalka screened the stuff from part and parcel to that. And in the screening apparatus, uh, there was a bleed system, which bled a micro-tagynt(sp?), uh material into the, uh, you know, a heavy metal type, uh micro-tagynt into the phenyl acetic acid, and uh, so the pile of material was really useless to the company now, unless they are able to unravel what I did to it.. And it's a very frightening thought that if they do manage to do that, I mean that's billions of dollars, I mean literally billions of dollars of drugs. And one of the problems I had with Don Wager when, you know, I was trying to explain this to him, and with him ultimately explaining it to Steven Trot and General MacIntyre, was they were under the impression that there was no, uh, wide-spread market for amphetamines. I mean, that was the impression that I got from them.

T.G.- Wager was your attorney?

M.R.- Wager was my personal attorney.

T.G.- In L.A.?

M.R.- And they really thought there was no, uh, wide-spread market for that

T.G.- Why were you dealing through Wager?

M.R.- Uh, I was, uh, to have Harlen Braun (sp?) as an attorney. And, uh, after Paul's death, Ben Kalka was in contact with me and he was frantic. He didn't know what had happened. And he didn't know that I knew that he had me written up, and he wanted help. And I said, "Hey, Ben, the only way I can help you is if you'll testify against Holbert, and come out to the desert and talk with me." Uh, I was delayed in coming to the desert and so Ben Kalka went to see, you know, Dr. Nichols on his own. And I was in the process of gathering up some things that we were going to put into a vehicle that belonged to Holbert. We were gonna set Ben up to get grabbed by the, uh, San Bernadino narcotics, uh, people with stuff in Holbert's name, and we were gonna put him in a position where he had no choice but to talk about Holbert. You know, it was dirty, but it was nothing, you know, compared to Kalka wanting to have me killed. And, uh, Philip Arthur Thompson learned where Kalka was, called him, and talked him into meeting in, uh, downtown L.A., right outside of Harlen Braun's office. Now, we had told Kalka that we would set him up with Harlen Braun to represent him if, uh, he was willing to testify against Al Holbert and Al Holbert's involvement in the drug scene and in, uh, espionage matters. And Kalka said that he would do it if he could be provided with protection, and he wanted protection for his father and mother. And we said that could be arranged. Let's, you know, start talking. And Thompson weasled his way in there and he told the FBI and the DEA, you know, where, uh, Kalka would be and, you know, they came and arrested Kalka. So then Harlen Braun represented Kalka initially, and then, uh, he, uh, withdrew from, you know, representing Kalka. And then I was going to get Harlen Braun as an attorney, because I was in a position, you know, to turn those drug raw materials over, and, uh, I wanted to use those as a bargaining chip to make sure that the authorities hunted to the ends of the earth until they got everybody involved in Paul's death. This was after I retained Braun, and said, "You can't do that," you know, to Braun. He really got pushy. "You represented me and Mike is, you know, going to be at odds with me and that's a conflict of interest. So Harlen Braun referred me to Don Wager, you know, to uh, take the matter. Don Wager was not connected with the organization, but they checked him out and said that he would be acceptable, you know, for this. And they advised me not to over-communicate with him, you know, about matters not directly related to the case. And uh, so that's how I got started with Wager, and Wager had lots of juice. The only problem, you know, is I think Wager over-simplified the situation and he said, "Well, if you're with the Wackenhut structure and you're working with them, they can just pull strings and have it taken care of." Well, it wasn't quite that simple and Wager didn't realize the pull in the Justice Department to get me out of the

way. And the thing is, that group has always been, uh, since the uh, late sixties, have always pushed to try to actively get me to participate in it, and they've caused me a lot of problems in the past, legal problems in the past, uh, you know, to try and push me in their direction, and I've, uh, resisted. And uh, Kalka even made the offer that I could have all the funding I needed for my research work, uh through a Michael Nay(sp?). Uh, Michael Nay is one of the top three guys in the Lawrence Livermore Laboratory structure, management structure. Uh, and I'm just inferring that he's involved with Holbert because of the way Kalka used his name. And, uh, if that's so, you know, that's another real problem area. Uh, Al was strictly a money man. Paul did all sorts of overseas transfers and he represented a certain trust position in this country, and for a young man, he was really well placed in the international scene. And he was also very naive about things. And the way he got involved with Ben Kalka, uh, was through his brother, Joe, and he thought that he was just handling some funds on his brother's behalf on some marijuana. He had no idea, uh, you know, what was involved. And Ben Kalka lost four hundred thousand dollars plus to a, uh, prostitute in Las Vegas over financing a whorehouse situation and rather than admit the loss of the cash, he tried to make it look like a shortfall from Joe's, and Paul was handling certain monies, you know, for that group, and Ben Kalka wasn't available on a regular basis, because he was a fugitive. Joe was getting the short end of the stick, so Paul moved in on the situation and he said, "I'll clean it up, but I want Joe out of it." And Paul was in that position for, I would say, five or six months. And I told Paul and I told Dr. Nichols that we needed this like we need a hole in the head! Why can't we find some other operative or somebody to, you know, stick in there, so Paul can be clear of this, because, you know, that's just too close to me! And, you know, he said, "We'll do it this way, and everyone will be rounded up as soon as we have the information that we need on, you know, Holbert's relationship, uh, with, uh, the rest of the company." So I said, "Okay. All these activities I want, uh, only with one answering service. That's the only thing that goes on there --none of our other activities on that. And I want, you know, a log kept on that." And when I was interviewed by the San Francisco homicide detectives, I turned that information over to them directly. You know, I explained the situation to them and I said, "Here it is." And that was the most substantive lead -- you know, because they had all the names, all the telephone numbers that Joe Morasca had been dealing with and that Ben Kalka had been dealing with. I mean, their whole structure --something that the narcotics people had been trying to get for fifteen years. And Paul and I, we have a written agreement with the Wackenhet structure to this effect. WE were in the process of turning over all of these people. I mean, we were in the process of destroying the company, you know, through the Wackenhet structure.

T.G.- What happened to that agreement?

M.R.- I still have a copy of it.

T.G.- And are you still working with John?

M.R.- Absolutely!

T.G.- Through Frye?

M.R.- Through Frye. Absolutely! Uh, Frye's focus is on Jimmy Chadra (sp?) for some reason. And, you know, even though the main guy is Al Holbert. But, uh, uh, the...I lost my train of thought here. The situation with the company is, they have not let me alone, and I had no idea that Holbert...

U.P.- You said you had turned everything over to San Francisco homicide.

M.R.- Yeah. That was on the list of names and contacts.

U.P.- And you said that Frye [unintelligible] Jimmy Chadra, instead of Al Holbert.

M.R.- Uh, the San Francisco homicide people, they never really pursued the information I gave them. Uh, Ben Kalka, today, has a motorcycle shop in the Bay Area. Uh, he's doing a land office business in, you know, narcotics. John Yenshy, his main man, they're not even investigating Yenshy for anything. Uh, and most of the other people that were included in that list are virtually unmolested.

T.G.- How about Holbert? Should we talk about Holbert?

M.R.- Yeah. Holbert, uh...

T.G.- You can start at the beginning with Holbert. Remember, we started that last night.

M.R.- Yeah, I met Holbert, uh, in the Portola Valley, in the, uh, in late 1965/early 1966. And I met him at the... Uh, Al C. Holbert

T.G.- Albert C. Holbert?

M.R.- Yeah. Uh, I met him at the home of Michael and Babette Wills in late '65/early '66. Uh, I was introduced to the Wills by Charlotte Davis, who was an old family friend of ours; she'd known me ever since I was a baby. And Michael and Babette Wills were very interesting people. They introduced me to, uh, Holbert. Michael Wills was a former State Department employee, uh, he was assigned or his area of specialty was the Far East.

U.P.- Wills?

M.R.- Michael Wills. W-I-L-L-S. And when I went to dinner there, the first time I met those people, Al Holbert was there. And, uh, he was very interested in the type of work I was doing. Very interested in the fact that a high school student could be so involved with TymeShare. Tyme Share was the first computer time sharing company in operation in the United States. Uh, and he was very fascinated by the fact that a teenager could build lasers. And we became very friendly. And I wasn't working with anything classified, at that time, and I spoke openly to him. And I was proud of the work that I was doing at Stanford for Dr. Schalow. And Holbert seemed to be a very knowledgeable and interesting guy. And I met him several other times at the Wills' and he invited me to, uh, I can't remember the name of the town, it was, you know

down toward Santa Cruz, to come down to his place, you know, down there. And I'd been down to his place twice maybe. And then one day he told me that he was involved in intelligence activities and he represented the Israeli Government in this country, and they needed help in getting the latest in communications equipment and electro-optical.

T.G.- How did he say he represented the Israeli Government?

M.R.- He said that he was an intelligence officer for the Israeli Government, and showed me all sorts of credentials, and you know I was, you know, I didn't know one credential from another. And I told Chuck Emerett about the situation [Note: Although M.R. spelled this name E-M-M-E-T, he continually pronounces it as "Emerett"], and this was in, you know, 1966. Chuck was so upset uh, by the Wills' and by Holbert that he called the FBI!

T.G.- Why did Holbert take you into his confidence?

M.R.- That, I don't know. He wanted my help. He wanted to know about fiber optics and he knew that I knew the man who was considered the top guy in fiber optics. That was Dr. Nerinder Escopani (sp?) Uh, he owned Optics Technology in Belgium, in India and in Palo Alto -- that's where he had his operations. And at that time, they were the only producer of fiber optics for the U.S. Government. Yeah, I mean that's when it was an emerging, uh, technology. And Holbert was amazed, you know, by what I was able to tell him about fiber optics. And here again, none of this was, uh, classified stuff. And, uh, you know, just one thing, uh, you know, led to another. I was quite excited, you know, by just being able to help, uh, you know, the Israeli Government. I was, uh, you know, I was very pro, uh, Israeli.

T.G.- You're not Israeli yourself.

M.R.- No, or, uh, Jewish, but, you know, I was caught up in the intrigue of it and plus I was able to confide in Holbert about the situation that I saw around Leary, and that I was suspicious about certain things goin on. And I explained to him that I had been giving information to, uh, the authorities, regarding those suspicions.

T.G.- You talked to Holbert about it?

M.R.- Oh, yeah.

T.G.- That you were giving information to the...

M.R.- Oh, yeah! And listen, I didn't realize until, uh, August that, no, it was July of 1981, I didn't realize that Holbert was anything other than what he said he was. And I didn't realize that he had any connection with Ben Kalka until that time. I mean, up until that time, I thought all of my problems were generated by and through, uh, BenKalka, and here I had been confiding in Holbert all this time.

T.G.- You're talking about the period from '66 to '81?

M.R.- Oh, yeah. I mean, I got close to Holbert!